



# Appropriations Update

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## FISCAL YEAR 2007 DEPARTMENT OF HOMELAND SECURITY APPROPRIATIONS BILL – H.R. 5441 Conference Report

### SUMMARY

The conference report for the Department of Homeland Security (H.R. 5441; H.Rept. 109-699) provides \$31.9 billion new budget authority. This amount is \$175 million below the allocation for this bill set by the full Appropriations Committee, so the bill complies with applicable provisions of the Congressional Budget Act. The agreement – the second conference report completed for the fiscal year starting 1 October 2006 – also complies with budget resolution provisions regarding emergency-designated appropriations and advance appropriations.

The conference report includes funding for fiscal year 2007 from the special Exemption for Contingency Operations Related to the Global War on Terrorism for border and port security. The budget resolution has included a similar exemption for the past 2 years to anticipate the costs of continuing operations in Afghanistan and Iraq. This is the first appropriations bill other than the Department of Defense measure to use the exemption. These contingency funds are not counted for enforcement purposes (see further discussion below).

**Table 1: Department of Homeland Security**  
(fiscal years; millions of dollars)

	2006 Spending <sup>a</sup>	Administration 2007	302 (b) for 2007	Bill <sup>a</sup>
Budget Authority	30,461	31,018	32,080	31,905
Outlays	53,241	37,482	38,711	38,714

<sup>a</sup> Excludes emergency appropriations and appropriations designated under the Exemption of Contingency Operations Related to the Global War on Terrorism.

### COST OF THE LEGISLATION

The \$31.9 billion in new budget authority [BA] in conference report is an increase of \$1.4 billion from fiscal year 2006 (see Table 1 below). The associated levels of outlays, totaling \$38.7 billion, is a decrease of \$14.5 billion. The sharp decline in outlays occurs mainly because 2006 outlay levels were exceptionally high, due to emergency spending in response to Hurricane Katrina.

The BA level is \$887 million higher than requested by the administration, and outlays are \$1.2 billion greater. This results, in part, because the conference report excludes an

increase in aviation security fees proposed by the President, which were estimated to provide an offset of \$1.2 billion. Taking this into account, total resources provided by the measure are \$343 million less than the request. The Federal Emergency Management Agency [FEMA] bears most of this reduction, which is coupled with management reforms in title VI of the report.

As noted, the conference agreement includes \$1.8 billion in contingency designated funding for border and port security, resulting in \$943 million in outlays. These amounts are

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excluded from the report's totals because contingency funding does not count against the suballocation for purposes of compliance with the budget resolution (see Compliance with the Budget Resolution below).

The cost of the agreement is partly offset by \$314 million in rescissions of previously enacted BA, saving \$116 million in outlays. Nearly three-fourth of these rescissions come from the U.S. Coast Guard and science and technology accounts.

### COMPLIANCE WITH THE BUDGET RESOLUTION

The BA provided by the agreement is \$175 million below the 302(b) suballocation to the Subcommittee on Homeland Security. Accordingly, the conference report complies with Budget Act provisions that prohibit the consideration of appropriations measures in excess of their suballocations. Outlays exceed the suballocation by \$3 million, but that does not give rise to a violation of the Budget Act.

The \$1.8 billion in BA for border and port security is designated under Section 402 of the fiscal year 2007 budget resolution (H. Con. Res 376) as contingency operations related to the global war on terrorism [GWOT]. Combined with \$70 billion in contingency funding included in the fiscal year 2007 Department of Defense conference report passed by the House on 26 September 2006, the total contingency funding for the fiscal year is \$71.8 billion. The

budget resolution assumed the President's request for \$50 billion, but Section 402 spending is not capped. As such, the additional \$1.8 billion in this agreement does not give rise to a point of order and does not count against the suballocation. Subsequent to passage of the budget resolution, the administration revised its GWOT estimate from \$50 billion to \$120.4 billion as part of its *Mid-Session Review* in July 2006.

The conference agreement does not cause a breach of the budgetary aggregates for BA or outlays, which would violate the Congressional Budget Act.

The measure does not provide any advance appropriations – appropriations for fiscal years beyond the budget year – or emergency-designated appropriations.

**Table 2: Discretionary Spending in the Homeland Security Conference Report<sup>a</sup>**  
(in millions of dollars)

	2006 Budget Authority	2006 Outlays	2007 Budget Authority	2007 Outlays	Difference BA	Difference Outlays
Department Management and Operations	791	693	910	882	119	189
Inspector General . . . . .	82	87	85	90	3	3
Citizenship and Immigration Services . . .	114	131	182	173	68	42
U.S. Secret Service . . . . .	1,200	1,199	1,277	1,279	77	80
Security, Enforcement, & Investigations . .	13,456	13,456	14,538	14,329	1,082	873
U.S. Coast Guard . . . . .	6,712	6,418	7,053	6,860	341	442
Preparedness . . . . .	4,032	3,988	4,019	5,041	-13	1,053
Federal Emergency Management Agency	2,607	25,977	2,511	8,613	-96	-17,364
Science and Technology . . . . .	1,467	1,126	848	1,130	-619	4
Domestic Nuclear Detection Office	0	0	481	241	481	241
Other . . . . .	0	166	1	76	1	-90
Total . . . . .	30,461	53,241	31,905	38,714	1,444	-14,527

<sup>a</sup>Excludes emergency appropriations and appropriations designated under the Exemption of Contingency Operations Related to the Global War on Terrorism.

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## DISCUSSION

### Annual 2007 Homeland Security Funding

As shown in Table 2 above, most of the bureaus covered by the report are funded at levels above 2006, with a few exceptions. Noteworthy changes include the following:

- *Security, Enforcement, and Investigations [SEI]* - The SEI includes the Immigration and Customs Enforcement and Customs and Border Patrol Bureaus. The conference report provides \$14.5 billion in BA – essentially \$1.1 billion, or 8 percent, higher than both the administration request and 2006 levels. This increase results largely from the rejection of the aviation security fees proposed by the administration, which would provide a \$1.2-billion offset for this category of spending.
- *U.S. Coast Guard* - The bill provides \$7.1 billion for the Coast Guard, which is \$341 million, or 5.1 percent, higher than 2006, but \$64 million less than the request.
- *Domestic Nuclear Detection Office [DNDO] and Science and Technology* - This office, formerly a part of

Science and Technology, is responsible for preventing the unauthorized possession of radiological material. In the administration's 2007 request, the DNDO was reorganized into a separate bureau. Thus, this new office accounts for most of the decrease from 2006 for Science and Technology, and the increase to DNDO.

- *Federal Emergency Management Agency [FEMA]* - As noted, the funding for FEMA is \$453 million less than the request, and the conference agreement includes management reforms in recruitment and retention and other areas,

### Contingency Funding

The contingency funding in this report was initially included in the fiscal year 2007 Department of Defense appropriations bill as passed by the Senate on 7 September 2007 for building fences and vehicle barriers along the southern US border. In conference, the funds were moved to the Department of Homeland Security bill and divided between border security (\$1.2 billion) and port security (\$0.6 billion).